

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



January 24, 1992

ALL COUNTY INFORMATION NOTICE NO. I-05-92

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: TREATMENT OF ADOPTION SUBSIDIES IN THE FOOD STAMP PROGRAM

REFERENCE: MPP 63-402.142; 63-402.32; 63-502.141; 63-502.2(g)

The purpose of this letter is to provide clarifying information regarding the treatment of adoption subsidies in the Food Stamp Program.

Health and Human Services (HHS) Title IV adoption subsidies such as Adoption Assistance Program (AAP) payments are federally funded assistance programs. The payments are considered "incentive payments" to the adoptive parents of hard-to-place children, (e.g., multiple siblings, older children, or children with medical or emotional problems). The family's circumstances and the needs of the child(ren) are considered in determining eligibility for the assistance payments. All County Letter 90-101, dated November 1, 1990, provided new instructions on the treatment of these payments made to families receiving AFDC, RCA and RDP.

For Food Stamp purposes, HHS Title IV adoption subsidies shall be treated as follows:

- o Pre-adoption subsidies to Foster Care children are excluded from consideration as income to the household since the courts have determined that foster children are 'boarders' and the regulations at MPP 63-402.32 would apply.
- o Once the child is adopted, the subsidies shall be treated as unearned income (MPP 63-502.141) to the household since adopted children are considered household members (MPP 63-402.142). However, any portion of the adoption subsidy that is earmarked for an excludable reimbursement (e.g., medical or dependent care expenses) as defined by MPP 63-502.2(g), shall be excluded from consideration as income. These exclusions will have to be determined on a case-by-case basis.

If you have any questions regarding the treatment of HHS Title IV adoption subsidies in the Food Stamp Program, please contact the Food Stamp Program Bureau at (916) 654-1322.

A handwritten signature in black ink, appearing to read "Robert A. Horel", written in a cursive style.

ROBERT A. HOREL
Deputy Director